



## **House Bill 556 – Property Tax Credit - Utility Service Expenses for Dwellings ( Maryland Family Utility Tax Relief Act)**

### **Position: Support with Amendments**

Maryland REALTORS® supports efforts to address rising utility costs. This legislation would allow local jurisdictions the ability to create a local property tax credit that could be claimed by property owners who are paying at least 25% of their net income towards utility services. Additionally, House Bill 556 defines utility services as electricity, gas, water, or internet service.

Maryland REALTORS® applauds efforts to provide meaningful relief as rising utility costs directly affect housing affordability and household stability. Utility bills are a major component of the total cost of housing, and when those costs spike, more households become cost burdened, which can lead to missed payments, housing insecurity, and reduced ability to purchase or maintain a home.

Maryland REALTORS® recommends amendments to clarify the bill so it can be applied consistently. As written, HB 556 appears to apply only to owner occupied households who directly receive a property tax bill, which would exclude renters even when renters are paying high utility costs. It is also unclear how the credit would apply in common rental arrangements where utilities are paid by the property owner, such as utilities included in rent or master metered buildings, even though those costs are ultimately borne by the household. The bill also references the taxable year, but it is not clear whether the 25 percent household net income threshold is applied monthly, which would better align with months of high utility costs, or annually. Finally, because the bill relies on net income, it is unclear how eligibility would be determined for self-employed individuals who may have significant deductions that reduce net income and could change eligibility in ways that do not reflect the household's actual monthly ability to pay utility bills.

Maryland REALTORS® urges the Committee to issue a favorable report on House Bill 556, and to adopt clarifying amendments to ensure the bill functions as intended and provides predictable relief.

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